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Collaboration of Ventures and Corporates Within Impact Accelerator Programs

Charlotte Noemi Niemeyer - 32521

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under the supervision of:

António Miguel

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Abstract

To tackle the world's social and environmental challenges innovative solutions that generate profits alongside impact are vital. Innovation can be driven by collaboration between corporations and ventures for example within impact accelerator programs. Adapting a qualitative approach, this thesis investigates how both sides can benefit and contributes a model for successful collaboration. Based on seven in-depth interviews four key success factors were developed: alignment of expectations and values, clear responsibilities and processes within corporations, strategic relevance and scalability of the venture and strong involvement of corporate partners. Future-looking, an increased focus on driving systemic change within corporations is crucial.

Keywords: Impact venture, Impact accelerator, Corporate collaboration, Innovation

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1. Introduction

The world is confronted with intense social and environmental problems, now more than ever. Despite worldwide economic growth, 1.2 billion people still live in extreme poverty (World Bank, 2017). To tackle these issues more resources are required than governments and philanthropic organizations have at their disposal. While new approaches to leverage these resources are being developed, the private sector increasingly designs innovative, market-based solutions to generate profits alongside social impact. Innovation is strongly fostered by collaboration between large corporates and new market players; thus, it entails considerable potential. Collaboration can benefit both parties, helping traditional businesses to create new markets and thereby stay competitive as well as helping ventures to develop and scale their products. Even though both sides can benefit from collaboration, more than half of the efforts to collaborate still fail due to a clash of cultures (World Economic Forum, 2018). A way of facilitating collaboration between corporates and ventures are accelerator programs.

This thesis aims to examine the collaboration between corporates and ventures within impact accelerator programs to develop recommendations on how to improve collaboration within the MAZE-X accelerator program. The accelerator program is part of MAZE, a Lisbon-based impact investment intermediary founded in 2013 by the Calouste Gulbenkian Foundation, whose mission is to work alongside impact ventures, investors and the public sector towards the implementation of innovative solutions to address societal challenges (MAZE, 2019). The accelerator program for tech-based impact solutions aims to strengthen ventures through capacity building by optimising their business model, refining their investors pitch and developing connections to large corporates. Part of the accelerator program is the Corporate Pilot Testing aiming to improve the go-to-market by working directly with large corporates to assess the product/market-fit (MAZE, 2019).

To date, collaboration between corporates and ventures within impact accelerators is only scarcely researched, due to the recency of this topic (Rockefeller Foundation, 2015). Hence, this thesis contributes to filling the gap by answering the following research question:

- How can corporates and impact ventures benefit from collaboration?
- How can corporates and impact ventures successfully collaborate within impact accelerator programs?

To answer this research question, the thesis is structured as follows: a literature review illuminates the current state of research regarding impact enterprises, impact accelerators and collaboration between corporates and ventures. Subsequently, the methodology behind the qualitative research method with semi-structured in-depth interviews is explained. The following part contains the analysis of the results, leading to a model for successful collaboration within impact accelerator programs. To conclude, the results are compared with the literature, limitations assessed, and future avenues for research as well as managerial implications identified.

2. Literature Review

This section is intended to give an overview of the state of research on impact enterprises, impact accelerators, engagement models between ventures and corporates within accelerator programs as well as respective benefits and risks for both sides.

2.1. Impact Enterprise

The term *social enterprise* describes a hybrid organization that pursues a social mission by leveraging business techniques (Schorr & Lynch, 2012). As society increasingly demands that organizations "serve a social purpose" (Fink, 2019), they are required to act responsibly inside and outside (Deloitte, 2018). The term *impact enterprise* encompasses even more demanding aspirations that differentiate the term from a *social enterprise:* First, *impact enterprises* must be scalable and attract the capital required to expand their reach and impact while sustaining long-term financial viability. Second, they must intentionally drive systemic change by influencing the attitude of the government, society and the private sector (Rockefeller Foundation, 2015). Moreover, an ecosystem of *impact enterprises* has the flexibility required to adapt to the rapidly changing problems (Rockefeller Foundation, 2015). The term *impact enterprise* gains of importance since organizations are increasingly judged on their impact on society at large and therefore gradually shift their focus from an internal to an external perspective, mainly driven by social, political and economic change (Deloitte, 2018). However, *impact enterprises* face the challenge of being successful at a large scale and thereby expanding their impact (Rockefeller Foundation, 2015). This problem arises from the fact that they are not able to adapt their business models at each stage of development due to difficulties to increase their customer base, attract talented employees and obtain funding as well as technical knowledge (Grimm, Kubzansky, & Dassel, 2012). Consequently, impact investors, who aim to generate environmental and social impact alongside a financial return (Global Impact Investing Network, 2019), often have difficulties to find investment-ready impact enterprises that do not require comprehensive business support (Koh, Karamchandani, & Katz, 2012). Intermediary organizations that support *impact enterprises* to increase their scale and mutually expand their impact are therefore essential (Rockefeller Foundation, 2015).

2.2. Impact Accelerator

The term *impact accelerator* describes any intermediary organization or platform that aims to scale impact enterprises by offering support for different needs (Rockefeller Foundation, 2015). Four definite factors differentiate accelerators from other early-stage institutions such as incubators, angel investors or seed-stage venture capitalists: Accelerators are fixed-term, cohort-based, mentorship-driven, and end with a public pitch event to attract investors (Cohen, 2016). Typically, an accelerator focuses not only on a sole problem but provides an extensive spectrum of support covering the areas of capacity building, networks, direct resource provision and ecosystem enablement (Rockefeller Foundation, 2015). Several studies outline the success of accelerator programs e.g. a study from the University of Cambridge found that accelerators increase survivorship rates of ventures by 10-15% by year five (Birdsall, Jones, Lee, Somerset, & Takaki, 2013). A different study found that top programs do accelerate the time for reaching key milestones e.g. exit by acquisition, but these positive effects disperse when analysing a broader sample (Bingham, Cohen, & Hallen, 2014). Moreover, the focus on impact ventures within accelerator programs continuously increases e.g. within the programs of the US accelerator TechStars the number of impact ventures grew by an average of over 50 % each year over the last three years (TechStars, 2018).

In addition, a number of accelerators solely focusing on *impact enterprises* have emerged. A study counted more than 160 impact accelerators in the United States, Sub-Saharan Africa and Southeast Asia only, which on average operated for less than five years (Rockefeller Foundation, 2015). Correspondingly, the number of impact investors rose from less than 50 before 1997 to over 200 in 2017 (Global Impact Investing Network, 2018). A study on value creation specifically through impact accelerators concluded that early stage ventures find greater value in these programs than growth stage ventures. For example, when it comes to attracting investors 40% of early stage enterprise received funding via an introduction made by their program compared to only 12.5% growth stage enterprise. Furthermore, the study found that the most valuable services within an impact accelerator program are business plan or strategy development and peer mentoring (I-DEV International, 2015). A study on the role of impact accelerators outlines that 20% of impact investors help to fund accelerator operations and aim to align their strategic pipeline with accelerator work (Baird, Bowles, & Lall, 2013), which also highlights the value created by impact accelerators.

2.3. Engagement Models Between Corporates and Ventures

Distinct rationales of corporates result in different engagement models implemented to collaborate with ventures. Corporates either aim to insource entrepreneurial creativity, referred to as *outside-in innovation* or leverage the agility of ventures to push its own innovations to the market, referred to as *inside-out innovation* (Weiblen & Chesbrough, 2015). Further, corporates have to decide between holding an equity stake to gain insight, control, and upside potential or diversification of risk by working more efficiently with a higher number of ventures without investing (Weiblen & Chesbrough, 2015).

Figure 1: Engagement Models between Corporates and Ventures

		Direction of Innovation Flow	
		Outside-In	**Inside-Out**
Equity Involvement	**Yes**	**Corporate Venturing** Participate in success of external innovation and gain strategic insights into non-core markets	**Corporate Incubation** Provide viable path to market for promising corporate non-core innovations
	No	**Outside-In Start-up Program** Insource external innovation to stimulate and generate corporate innovation	**Inside-Out Start-up Program** Spur complementary external innovation to push existing corporate innovation

Source: Weiblen & Chesbrough, 2015

Since each model has its unique benefits and challenges, corporates have to select the model that fits their long-term objectives for engaging with ventures best (Weiblen & Chesbrough, 2015). Collaboration within accelerator programs mostly fits into the model of Outside-in Start-up programs. For accelerators collaboration with corporates secures funding of their operations in the short-to medium term, while for corporates it is an effective way to engage with ventures and explore new and adjacent business models besides their core business model (Kohler, 2016). Due to the limited skills of corporates in acceleration they increasingly outsource these programs (Brunet, Grof, & Izquierdo, 2016). The US accelerator TechStars for example operates an retail accelerator for the METRO Group focused on new technology solutions in the retail industry (TechStars, 2018) and an energy accelerator in partnership with Statoil to seek innovative solutions within the energy sector (TechStars, 2017). A way to build expertise within the field of acceleration within the corporation are corporate accelerators, which are fully housed and financed by the corporation (Heinemann, 2015). Corporate accelerators are numbered between 60 and 200 worldwide (Corporate Accelerators, 2019) and can also be classified as an Outside-In Start-up program.

2.4. Benefits of Collaboration for Corporates and Ventures

Successful collaboration results in benefits for corporates as well as ventures. A major **benefit for corporates** is external innovation and disruption to protect their competitive advantage (Hora, Gast, Kailer, Rey-Marti, & Mas-Tur, 2017). Since internal innovation is often limited by protecting the core business, collaboration with ventures fosters disruption of one's own business model (Kupp, Marval, & Borchers, 2017). Almost 90% of corporates stated that it is crucial to work with start-ups to promote innovation (KPMG, 2014). Second, since innovative ventures often outperform existing suppliers and can facilitate new revenue sources, corporates benefit from collaborating with them. Third, being less standard process-driven than large corporates, ventures often innovate closer to customer requirements and thereby allow corporates to better serve their needs when collaborating (World Economic Forum, 2018). Fourth, venture engagement facilitates a culture of openness for innovation and failure and thus drives intrapreneurship which is essential in a fast-paced business environment (Schildt, Maula, & Keil, 2005). Fifth, working with ventures enables corporates to constantly stay on-top of market developments that might lead to disruption in order to react respectively (KPMG, 2014). Ultimately, collaboration with start-ups can lead to new revenue streams and business lines e.g. by entering new markets with innovative products which were developed jointly with the ventures (World Economic Forum, 2018).

On the other side, collaboration leads to several **benefits for ventures.** First, revenue represents an incentive for ventures to collaborate with corporates as it increases dependence on external investors. Having a long-term interest, corporates also help ventures to achieve sustainable growth (World Economic Forum, 2018). Second, large corporates as clients of ventures provide a reference case and thus improve the ventures reputation and trigger a network effect (KPMG, 2015). Third, due to their size and budget, corporates serve as a scalable client for ventures and therefore are an ideal target customer. Fourth, working with corporates leads to a riskless opportunity to expand in other countries by partnering with subsidies (Hora, Gast, Kailer, Rey-Marti, & Mas-Tur, 2017). A large customer base also helps ventures to improve their product based on expert feedback. Fifth, collaboration leverages the opportunity for ventures to exploit underutilized corporate assets such as large data bases (Freytag, 2019). Sixth, ventures benefit from market knowledge and mentoring through well-established corporates with long-term experience (World Economic Forum, 2018).

2.5. Benefits for Corporates Through Working with Accelerators

Besides several benefits that corporates gain from collaborating with ventures, they also strongly benefit from partnering with accelerators. First, they can launch an acceleration program more quickly and cost-effectively and implement best practices based on the experience and knowledge of the accelerator. Second, accelerators enhance the deal flow of a corporate through their large pipeline of ventures and strong network. Third, by working with accelerators corporates receive insights into the innovation pipeline in their specific industry and thus can stay competitive towards new market entrants (Brunet, Grof, & Izquierdo, 2016). Fourth, collaboration fosters an innovative culture within the corporate e.g. by placing executives as mentors in the program and thereby enabling them to innovate (Isaacs & Ancona, 2019). Fifth, working with accelerators further might result in a more innovative brand image in the eyes of the public (Brunet, Grof, & Izquierdo, 2016).

2.6. Risks of Collaboration

Adapting a critical stance, collaboration bears different risks for each side, which are crucial to understand in order to be tackled. First, **ventures face a risk** due to the need for constant revenues to continue their operations, which puts time pressure on ventures that effects any type of collaboration. Since it takes on average more than 9 months from the first meeting until the collaboration is set up (KPMG, 2015) the value of the cooperation has to be carefully analyzed before investing time. Second, the focus on a customized solution for one large corporation might divert a venture from building a more universal and scalable product and consequently restrict growth. Third, highly specific requirements from corporates might lead to delays which cause high financial costs for ventures. Fourth, a risk is the waste of resources when corporates regard the ventures as a source of free consultancy and do not pursue a strategic, long-term collaboration. Fourth, premature scaling represents a risk since a successful proof of concept or signing the first deal with a large corporate does not necessarily imply the readiness to scale (World Economic Forum, 2018). Fifth, in the case of a close corporation and strong dependency there is the risk of losing the start-up spirit (KPMG, 2015).

Risks on the corporate side are firstly reputational damage which can be caused when the corporate is implicated in the product development process. Second, as many ventures fail there is a higher investment risk for corporates compared to their usual investment projects. Third, misaligned employees represent a risk as they are used to follow standard processes and are not familiar with the start-ups unfamiliar culture (World Economic Forum, 2018). Consequently, a clash of cultures arises from tight integration (KPMG, 2015). Fourth, the uncertain outcome of a collaboration is a risk due to the difficulty to predict the results when working in inexperienced teams on unfinished products. Fifth, maturity misalignment can be a risk as the corporate might not be ready to adopt a new technology or business model that the start-up is working on (World Economic Forum, 2018).

3. Methodology

The following part illuminates the rationale for the qualitative research design, the data collection and the evaluation approach.

3.1. Research Design

As this thesis aims to explore how corporates and ventures may benefit from collaboration and how they can successfully collaborate within impact accelerator programs, a qualitative research design was chosen. To achieve the holistic exploration of a complex topic involving different individuals and influencing factors, the conduction of qualitative interviews is particularly suitable (Creswell, 2014) The research was performed by conducting semi-structured in-depth interviews with open-ended questions to foster not-biased responses and preserve enough flexibility while guiding the general direction. This approach cultivated posing clarifying questions and enabled the interviewees to reveal the full potential of information and knowledge. The interview guideline was adopted to the perspective of the respective interviewee. The main questionnaire for accelerators is shown in Appendix 1, the questionnaire for ventures is depicted in Appendix 2 and the questionnaire for corporates in Appendix 3 with all questions divided into categories and subcategories. The semi-structured interview approach allowed for interviewees to give examples, while sticking to the general structure and thereby granting the chance to gain a comprehensive impression. After a warm-up to increase trust, a delimitation of the term collaboration with corporates was gained to ensure a mutual understanding of the topic. In the first part of the interview, insights were gained about collaboration models, particular advantages and disadvantages as well as objectives and the underlying rationale of the respective party. The second part of the interview focused on the implementation of collaboration covering processes, benefits and success factors as well as problem fields. Lastly, interviewees got the chance to add topics that had not been covered previously by the questions but still seemed relevant.

3.2. Data Collection

To get a holistic understanding of the topic, the three perspectives of accelerators, corporates or corporate accelerators and ventures were investigated in seven interviews that ranged from 30 to 60 minutes. I chose the accelerators due to their sole focus on impact ventures to illuminate collaboration within impact accelerator programs. To cover the venture perspective impact ventures that follow a hybrid mission were chosen to understand the particular challenges but also potential benefits for collaboration with impact ventures. However, the corporates interviewed also have non-impact ventures within their accelerator programs and thus could contribute to evaluating the differences between working with impact and non-impact ventures as well as explaining the importance of an impact focus for innovation and the strategic direction of corporates. The interviewed accelerators, corporates and ventures are based in Europe and North America and operate in various industries such as software and technology, pharma, chemicals & life sciences, financial services as well as employment & education.

Figure 2: Overview of Interview Partners

Accelerators	**Interviewee**	**Focus**	**Headquarters**
MAZE	Acceleration Associate	Impact tech ventures	Lisbon, Portugal
Impact Accelerator A	Program & Partnership Associate	Impact tech ventures	Copenhagen, Denmark
Corporates	**Interviewee**	**Industry**	**Headquarters**
SAP SE – SAP.iO	Head of Scouting & Acceleration	Software and Technology	Walldorf, Germany
Merck Accelerator	Manager Accelerator Program	Pharma, chemicals and life sciences	Kenilworth, United States
BNP Paribas	Project Manager	Financial Services	Lisbon, Portugal
Ventures	**Accelerator**	**Industry**	**Headquarters**
E4Youth	Impact Hub Austin	Employment & Education	Austin, United States
Chatterbox	MAZE	Learning & Development	Lisbon, Portugal

Source: Company websites and interviews

3.3. Data Evaluation

After conducting all interviews, I reviewed and transcribed all empirical information. For a comprehensive data evaluation, the interview transcription was followed by a thorough assessment of the empirical material. Subsequently, I aggregated the key aspects into one single source and clustered the results according to salient topics such as collaboration models, role of the accelerator, benefits, challenges, definition of success and success factors. Through multiple iteration rounds of reviewing the data, I was able to identify the most relevant aspects mentioned for each topic. Ultimately, the most relevant themes led to the creation of a model for successful collaboration between corporates and ventures within impact accelerators.

4. Results

In the following, results of the interviews are described. First, models of collaboration as well as benefits for both sides are explained. Subsequently, main challenges of collaboration and core success factors are presented. Further, differences for collaboration with impact ventures compared to non-impact ventures are illustrated. Lastly, a model for successful collaboration between corporates and impact ventures within accelerator programs is introduced.

4.1. Corporate Collaboration Models

All interview partners described unique ways of collaboration, showing the large range of possible collaboration models. During the interviews it became visible, that differences between collaboration models occur within two phases: First, the **matching of corporates and ventures** either takes place before the start of the program, when ventures are selected based on a specific need of the corporate, or during the program within networking workshops. All interviewed corporate accelerators choose ventures based on their strategic fit to the company and the resulting collaboration potential. Interestingly, the interviews indicate that the accelerators differ in that regard: one accelerator matches collaboration partners before the start of the program by engaging the corporates in the selection process, while the other accelerator fosters matching through workshops during the program. However, the latter approach leads to fewer close collaborations. Second, collaboration differs within the **implementation phase:** The interviewed accelerators combine different elements such as pilot projects, impact workshops with corporates and hackathons that aim to foster innovation within the corporates. Pilot projects range from e.g. a simple customer supplier relationship to joint development, licensing agreements or a joint venture while being continuously supported by the accelerator. Accelerator A also runs corporate accelerators specifically requested by corporates as a one-time project. The corporate accelerators initiate pilot-projects with selected internal partners within the corporate similar to the collaboration between corporates and external accelerators. However, the interviewed corporate accelerators do not invest in the ventures, as a separate fund is responsible for equity investments in ventures. To conclude, the interviews demonstrate that a broad range of collaboration models is implemented, and accelerators can support these by leveraging their knowledge and standardizing processes to the means possible.

4.2. Benefits for Ventures

The interviews showed that the major objective of ventures to collaborate with corporates is **access to clients**, they would not be able to reach otherwise due to a lack of brand recognition and trust. For example, with the SAP.iO accelerator program ventures are able to approach SAP SE’s client base of 400,000 customers which the corporate has “amazing relationships with and many start-ups dream to have access to that customer base”. In addition, ventures benefit from **access to industry experts within the corporate** to exchange knowledge and receive valuable feedback on their product. One corporate accelerator stated that these experts often have broad experience after “working in the field for 15 to 40 years”, therefore implying they possess a deeper understanding for the venture’s problems and potential. Third, ventures have the **opportunity to test and validate their products** with large clients, which can be extremely beneficial to guide product development in the future. For example, one corporate accelerator and one venture conduct field tests together to validate an innovation leveraging their knowledge conjointly. Furthermore, ventures benefit from the **quality seal** obtained by having a big corporate as a client or partner, which can increase their reach as well as foster future investments and collaborations. Within the technology sector ventures can additionally benefit from **technological integration from the beginning** e.g. at SAP.iO, which might influence a client's decision for the ventures product positively when technological compatibility is given.

4.3. Benefits for Corporates

The main objective of corporates to collaborate with ventures is **access to innovation, technologies and talent.** A corporate accelerator highlighted the aim to "create an era of organic growth" within the corporate by entering new markets with innovations from ventures. Another corporate accelerator mentioned the "need to closely work with start-ups in order to not get disrupted in the end". This statement suggests, that corporates regard collaboration with ventures as a critical factor to foster innovation and sustain corporate performance. To fully leverage the value of the collaboration within one accelerator, ventures work in the same office building as the internal innovation team which promotes **knowledge exchange** and generation**.** This leads to the opportunity for corporates to stay on top of industry trends and market developments. Collaborating with ventures also fosters **cultural change** within corporates e.g. by "creating new ways of working in a more agile way" as one corporate highlighted. A corporate accelerator mentioned the importance of promoting "a different failure process and different metrics" when working with start-ups within the corporate as they are not evaluated by traditional revenue metrics but rather adoption or weekly active users. Collaborating with impact ventures can also increase **employee engagement** by giving employees more purpose, which is necessary according to an impact accelerator that states "corporates need to show to their employees that they care". As a result, long-term employee retention and loyalty might be enhanced. Moreover, **Branding and Corporate Social Responsibility** were highlighted by several interviewees, mostly as a side effect next to the abovementioned benefits. However, the impact accelerator that operated an accelerator for the CSR department of a large corporate even stated that the corporate “had a very clear CSR objective” and “the only benefit for them is branding”. However, this kind of collaboration fails to contribute to the overarching objective of fostering innovation based on impact business models and thereby drive systemic change.

4.4. Main Challenges of Collaboration

Even though collaboration models differ significantly, the interviewees highlighted similar challenges, which affect all parties. A major challenge is the **different operating speed** of corporates and ventures as well as **processes, rules and long decision cycles** within corporates that may slow down outcomes and lead to the difficulty to communicate. One venture highlighted that “entire departments don’t talk to one another and when we partnered with the corporate, it was found out that they already partnered with another online language learning solution six months before.” The corporate partner added that the venture is “not at the same rhythm as a big corporate and everything takes a lot of time”. Furthermore, **cultural differences** between corporates and ventures represent a challenge. One impact accelerator described the culture of a corporate as “a dinosaur and doesn't change for years.” This statement emphasizes the huge differences between ventures and corporates in terms of change culture, flexibility and openness towards innovation. Moreover, the challenge of causing a **long-term collaboration** after the first project was mentioned by corporates and ventures. A corporate accelerator stated, “the hardest part for us is basically to foster a long-lasting collaboration”, mostly because the collaboration with ventures is not a main priority as it is not business critical in the short-term. Another challenge contests the **integration of the impact business model into the core strategy**, often due to limited scalability of impact businesses. As one corporate accelerator highlighted “it takes a lot to move the needle for a big company” and therefore ventures have to find a market where there is “clear demands from hundreds of users for that product”.

However, cooperation on a strategic level and not with the CSR department would be required to foster systemic change within large corporates. An impact accelerator that carried out a corporate accelerator for a corporate's CSR department stated that instead "we need to approach that startups help the corporations in their core strategy". Another challenge is the **difficulty to standardize processes** since all collaborations are unique. As highlighted by one accelerator that stated, "it's not like you find a magic formula to make 100 successful pilots", individual circumstances need to be considered when initiating a collaboration to ensure value for both.

Figure 3: Challenges of Collaboration

Topic	Aspect	Times mentioned
Challenges of Collaboration	Speed of processes, decision cycles and rules within corporates	6
	Cultural differences between corporates and ventures	5
	Long-lasting collaboration after pilot	4
	Integration into core strategy	5
	Difficulty to standardize processes as all pilots are unique	6

Source: Own presentation based on interviews

4.4. Success Factors

To derive factors for successful collaboration, a common understanding of success needs to be developed. Even though it represents one of the major challenges, corporates and ventures described a long-term collaboration that provides mutual value and learnings as success. One venture stated that success on the human side means "when the corporate is open and allows us to speak to their staff freely". A corporate described success ultimately as growth fostered by innovation generated through the collaboration. Based on the interview results four major success factors were derived to answer the research question. First of all, **expectation and value alignment** are important to ensure a successful collaboration. Besides "understanding the values they can bring to each other", as highlighted by an accelerator, expectations in terms of the product and the way of collaboration need to be reconciled. One corporate accelerator suggested to “set some basic ground rules in the beginning” to create a mutual understanding of the collaboration. Second, **clear responsibilities and processes within corporates,** that ventures fully understand, are a success factor. An accelerator mentioned that “if no one is really an account manager for this project, things get lost” and added that collaborations fail because “startups just assume that corporates function in the same way as they do - in a very flexible, agile way and it's not the case”. A corporate accelerator added that “a party which is used to both worlds and can mediate” is essential to bridge the gap. Third, **strategic relevance for the corporate and high scalability of the venture** is crucial for success. An accelerator explained that “if corporates work on something that is not strategic for them, they will stop working with startups”. To ensure strategic relevance of the collaboration it is important that “internal partners have a saying and a buy-in the process”, as one corporate accelerator mentioned. Another corporate accelerator added that corporates search for a “highly scalable, repeatable business”. A fourth success factor is **strong and early involvement** of corporates during the pilot project. To gain valuable feedback on products and make a collaboration successful, it is important to tightly involve the corporate side in the co-designing process. A corporate accelerator stated that integrating the collaboration partner on the corporate side early on increases the “sense of ownership for the ventures to push them internally”.

Figure 4: Definition of Success and Success Factors

Topic	Aspect	Times mentioned
Common Definition of Success	Long term collaboration and contract	6
	Value and learnings for both parties	5
	Active participation in project	5
	Growth of corporates through innovation	5
Success Factors of Collaboration	Expectation and value alignment	6
	Clear responsibilities and processes within the corporates	5
	Strategic relevance for corporate and scalability of venture	4
	Early and strong involvement of corporate in pilot projects	5

Source: Own presentation based on interviews

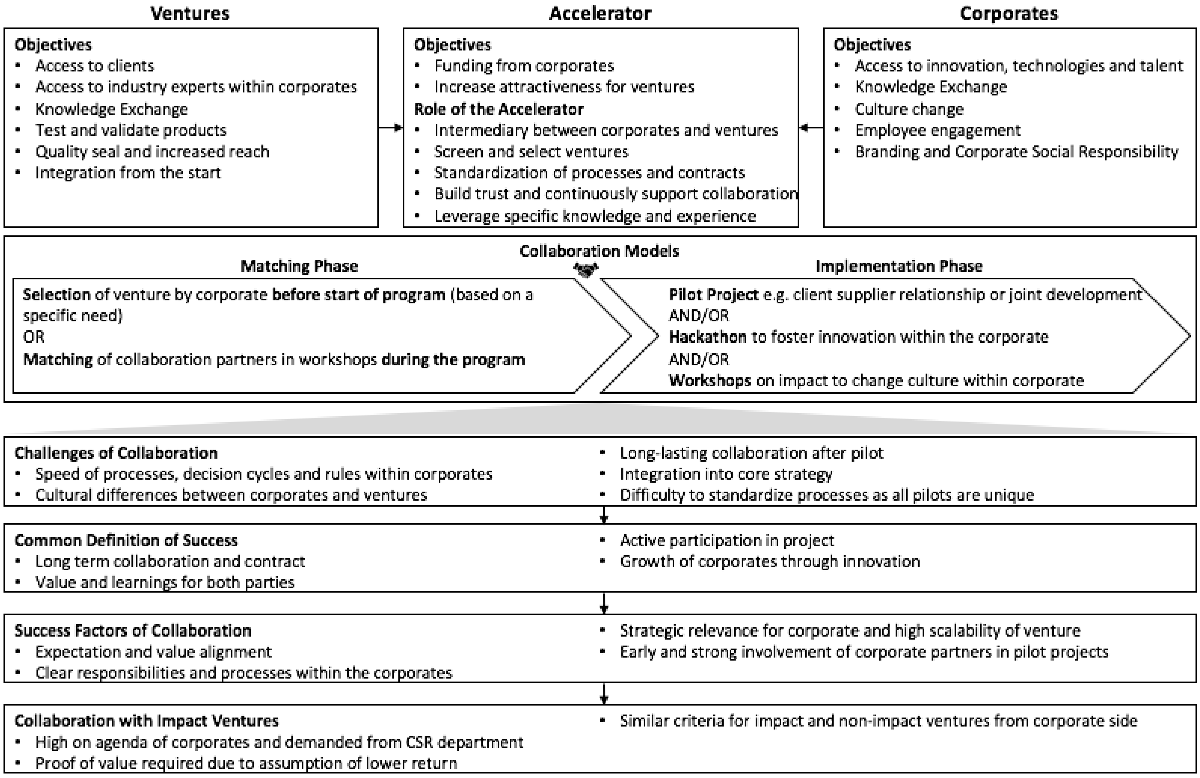
4.5. Differences for Collaboration with Impact Ventures

As corporates place more value on impact, they increasingly collaborate with impact ventures. However, the perspective of corporations on collaboration with impact ventures still differs from working with non-impact ventures. According to an impact venture "the word impact translates to CSR in large enterprises" and an impact accelerator adds that "a lot of companies think it's not as safe as a normal non-impact investment". Consequently, impact ventures face the challenge to prove the value and the scalability of their product due to the widespread assumption of lower return or security of impact enterprises. On the other side it is "high on the agenda to work with the Sustainable Development Goals" as an impact accelerator highlighted. Implying that some corporates identify collaborations with impact ventures as an opportunity to contribute to the SDGs but lack honest intrinsic motivation. One impact accelerator adds that "impact is luckily becoming mainstream" suggesting that a mind-set change is already taking place. This further becomes visible using the example of a corporate accelerator that has a "complete social impact funnel" in the next cohort. The other corporate accelerator stated that "impact is not a deciding criterion for us", even though the interviewee would choose the impact venture if the collaboration potential for two ventures is the same. However, since the ventures often do not directly work with the corporate's strategy department but rather the CSR department, the long-term objective of driving systemic change might be challenging to achieve.

4.3. Model for Successful Collaboration Between Corporates and Ventures

Referring back to the initial research question "How can corporates and impact ventures successfully collaborate within impact accelerator programs?" and considering the results presented in Chapter 4, the model for successful collaboration between corporates and ventures within impact accelerator programs can be illustrated as follows:

Figure 5: A Model for Successful Collaboration Between Corporates and Ventures Within Impact Accelerator Programs (own presentation)



Ventures and corporates follow different objectives, while accelerators serve as an intermediary and leverage their specific knowledge and experience to continuously support the collaboration. Collaboration models vary within the matching and the implementation phase and are based on respective objectives. Corporates and ventures face several challenges during the collaboration phase often based on differences in size, speed, processes and culture. The mutual understanding of success is to create value and learning for both through a long-term collaboration. Based on the interviews four major success factors were derived that foster successful collaboration: Alignment of expectations and values, clear responsibilities and processes within the corporate, strategic relevance for the corporate and scalability of the venture as well as early and strong involvement in pilot projects. Differences in terms of collaboration for impact ventures occur, as they are confronted with assumptions about lower return and security and thus have to substantiate the value and the scalability of their product.

5. Discussion

This part discusses the results under consideration of the literature, identifies limitations and implications for future research, and concludes with managerial implications.

5.1. Comparison of the Results with Literature

The rising importance of an organization's impact on the society while obtaining profits (Deloitte, 2018) is in line with the perspective described in the interviews as all corporates stated that they perceive social or environmental impact as increasingly important. Furthermore, many interviewees highlighted the significance of scalability and long-term financial viability of impact enterprises which is consistent with the first aspiration for impact enterprises according to the Rockefeller Foundation (2015). However, the interviews suggest that most collaborations do not fulfill the second aspiration to drive systemic change within a corporate since impact ventures often work with the CSR department and not with the strategy department wherefore their impact on the core strategy is limited. Comparing the collaboration models the results are mostly in line with the Outside-In Startup Program Model of Weiblen & Chesbrough (2015) as the innovation flow is outside-in with no equity involvement. Further, the results support that collaboration models are unique based on particular objectives or industry specifics in accordance with Weiblen & Chesbrough (2015). Most interview partners agreed on the broad support spectrum of impact accelerators (Rockefeller Foundation, 2015) and mentioned similar benefits obtained through working with accelerators in line with Brunet, Grof, & Izquierdo (2016). Considering the benefits through collaboration for both sides (World Economic Forum, 2018), the results imply corporate accelerators strongly profit from working with ventures, while the independent impact accelerators were not at a stage to evaluate the benefits. The results regarding benefits and risks for corporates and ventures are mostly in line with the literature review, with almost all mentioned aspects covered.

5.2. Limitations and Further Research

As with most qualitative studies, the above-mentioned results need to be interpreted under consideration of several limitations. First, the seven interviewed companies have been sampled theoretically, based on their suitability to illustrate the topic of interest. This led to the selection of corporates who are already engaged in venture collaboration. Thus, results are limited to corporates who are already working with ventures and applicability for other corporates has yet to be examined. In particular, it would be interesting to examine whether corporates who do not have any experience working with start-ups have a different attitude towards collaboration. Furthermore, the sampling may have resulted in partly biased results given that it relied on corporates and ventures willing to conduct interviews regarding that topic, assuming they have a more positive attitude towards collaboration. Second, the sample is geographically limited to Europe and the US and thus requires further investigation of the applicability to other geographical contexts. Third, the interviewees' responses might be prone to biases which led to a distortion of the results since only one person per firm had been interviewed and statements might be made in the belief that it corresponds to their manager's expectations, referred to as subject or participant bias ((Saunders, Lewis, & Thornbill, 2000)

Implications for further research could shed a light on differences between collaboration initiated through working with external accelerators versus having an internal corporate accelerator. Moreover, potential differences in the results according to industries or the size of companies e.g. small-medium sized businesses could be investigated. In addition, it would be of interest to obtain quantitative data on the value created through collaboration between corporates and ventures by using e.g. revenue metrics or registered patents to substantiate the qualitative results of this thesis. Furthermore, it would be interesting to find out how systemic change within corporates is driven when impact ventures work directly with the core strategy department and not with the CSR department or a smaller business unit of a firm.

5.3. Managerial Implications and Conclusion

By building on seven interviews, this thesis discusses the collaboration between corporates and ventures within impact accelerator programs. The following part illuminates how impact accelerators as an intermediary can embed and implement the developed success factors. First, accelerators have to critically evaluate the opportunities to foster innovation by collaborating with a venture for each corporate partner. In this context, strategic relevance needs to be examined by aligning closely with the corporate strategy department. Concrete short- and long-term benefits for the corporate need to be mapped out and implications of the impact business model on the core strategy as well as integration possibilities have to be assessed. At the same time, the accelerator has to verify the scalability of the venture and if required, support adaptations of the business model. Second, all parties involved have to assess jointly which collaboration model suits best based on the respective objectives of the corporate and the venture. In this context, a customized combination of different elements depending on the needs of both sides brings the highest potential for a successful collaboration. Third, having established a common understanding of success, accelerators have to make sure that expectations and values are aligned. To achieve this, the accelerator can initiate for example a workshop with both sides to discuss expectations and values to create a mutual understanding. A workshop could further ensure that corporate partners are strongly involved from early on. To sustain this involvement during the pilot the accelerator has to keep track of frequent touchpoints. Besides this, the impact accelerator has to help define clear responsibilities and processes within the corporates timely, to simplify communication and collaboration. To conclude, by effectively implementing the discussed success factors an accelerator can foster successful collaboration that benefits both and generates impact through innovation. Collaboration between corporate and impact ventures also has the potential to further drive systemic change in the future, if the impact business model is integrated into the core strategy.

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